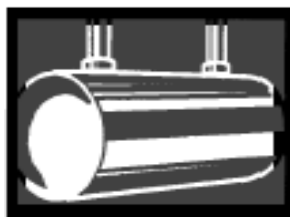


MUST News

Department of Environmental Quality

Spring Issue 2003



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State of the Environmental Services Section

The department faces many challenges this spring. In particular, we have set the following goals: (a) improving the inspection program for the upcoming round of compliance inspections; (b) simplifying the permitting process for everyone involved; and (c) strengthening the Local Government Unit (LGU) Program.

Compliance Inspections:

To prevent possible disruption of the fuel supply to certain areas, we requested that the 2003 Legislature allow the department to issue temporary Operating Permits in specific circumstances for tanks that are not in full compliance (see HB 144 Laws, page 4). We are also clarifying the inspection forms and redesigning our database. These changes will increase our efficiency and effectiveness in serving the regulated community.

Permitting:

Under the capable leadership of Redge Meierhenry, the department is updating the underground storage tank permit application and review process. The new process will simplify and improve the quality of the paperwork an installer/remover

submits to the department. With assistance from licensed installers, the department is preparing a manual

delineating specific permit categories so information required will be pertinent to each type of permit (see page 3 for details).

LGU Program:

The department licenses LGUs to conduct inspections, installations and closures. The LGU program was created to support the department's inspection responsibilities across Montana, and to assist with the department's workload pursuant to the 1998 upgrade requirements. Since that time, inspections have been privatized and the 1998 deadline has passed. Yet, the department continues to value the talents of those participating in the LGU program, and anticipates the program's growth and evolution to be of value to both inspectors and the department.



Deadline: March 31, 2003

Are you one of the 110 facilities in Montana without an Operating Permit? See pages 4 and 5 for details that may concern you regarding House Bill 144.



Technical Services Bureau — Environmental Services Section

Pumped Delivery

Do you have tanks that are above-grade? Tanks buried behind a dike? Does your fuel delivery driver have to pump the fuel up into the tanks? If so, you must be very careful of the overfill system. Mounded tanks (tanks buried above the surrounding grade level) require special consideration when installing overfill protection. Ball float vent overfill valves may NOT be installed on these tanks, as these devices can lead to over-pressurization of the tanks during pumped delivery. Drop tube overfill devices are also unacceptable overfill protection devices, as they can either be damaged by tight-fill pumped delivery or they can damage the pumping system. Not using a tight-fill connection can be very dangerous to the delivery driver. The only viable overfill prevention system is an audible alarm that

will warn the driver that an overfill is imminent and that the product flow must be shut off. The level must be set at 90% of tank volume or less. The other two methods of overfill protection **must** be removed from any tank that requires pumped product delivery. If you have a mounded tank with a drop tube overfill device or a ball float vent overfill valve, contact your installer and have these devices removed and a high level alarm installed. As always, if you have questions regarding your system, contact program staff at 444-1420.



Post Leak Actions

The unexpected happens. Your automatic tank gauging system shows that there is product in your turbine sump. A pipe fitting has developed a leak at the connection to the turbine. But your containment sump has a liquid sensor in it. The alarm goes off and you go to investigate. You remove the manhole cover to see at least a foot of gasoline in the bottom of the sump. You pump out the product and tighten the fitting. Great! Everything worked the way it was supposed to. No fuel leaked into the environment. But wait! There is still fuel coming into the sump from the interstice of the double-walled piping. It seems there was enough fuel in the sump to flow up into the interstice of the piping. Now what? All fuel must be removed from the sump and the piping containment as soon as possible. If not removed, the fuel may break down the secondary containment material, causing even more problems and possibly even a release to the environment.

For financial as well as environmental reasons, remove all fuel from sumps as soon as possible. If you have fuel in your piping interstice, contact the department immediately. We'll help keep your piping in top shape and the manufacturer's warranty valid.

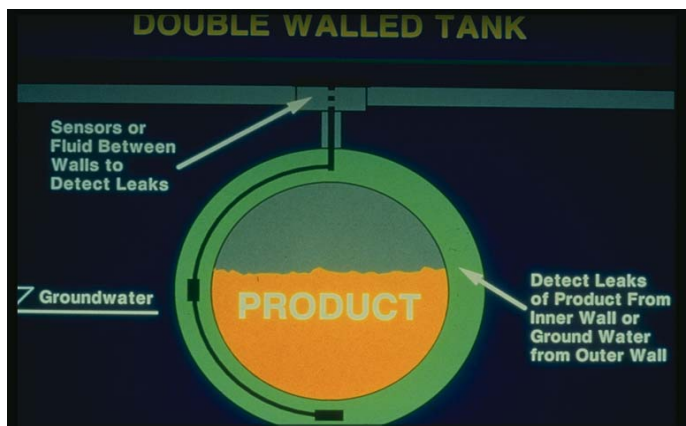


Double-walled flexible piping comes in two styles: small interstice and secondary containment. The small interstice has a space separating the inside piping and the outside piping. A leak in the inside piping is channeled through the small space (interstice) to a sump. Secondary containment is achieved with a small pipe inside a larger one. If the inner pipe leaks, it flows down the larger pipe to a sump.

Double-walled Tanks Make Sense

Double-walled tanks are more expensive than traditional single-walled tanks to buy and to install. So, what reasons are there to install these "Cadillac" tanks? Well, most importantly, they don't leak—Montana has not had one yet that has leaked. A leak can impact a business substantially—business is interrupted, people are digging onsite, the owner is burdened with remediation paperwork, there are contractors and regulators to deal with, not to mention the loss of product valued at over \$1.50 per gallon.

The cost of recovering the product from the ground is often 50 times greater than the cost of the fuel. If the release is eligible, the Petroleum Fund will reimburse most of the costs, but the owner is responsible for half of the first \$35,000 spent—UNLESS you have double-walled tanks and piping—then the Fund reimburses the entire amount! \$17,500 will more than pay for the difference in price between single- and double-walled tanks on a typical three 10,000-gallon underground storage tank installation. No more third-party precision leak tests if your leak detection system goes haywire. At \$300-\$500 each, that does not make good fiscal sense. And one more reason—the national trend is to require double-walled tank systems.



Double-walled tanks are a sensible investment.

Technical Services Bureau — Environmental Services Section

The New and Improved Installation Permitting and Review Process

In an effort to meet the needs of the regulated community, the department is updating the UST installation permit application and review process. Different installation projects require different amounts of supporting information for department review. With assistance from licensed installers, the department is preparing a manual delineating specific categories of permits. The department will only require information pertinent to each type of permit, simplifying both the submission and the review of permit paperwork. The "design narrative" and "design site plan" will also reduce the time required to review permit applications, and the submission of a redlined "as-built drawing" will replace much of the post-installation paperwork.

The department is revising the permit application, and is drafting the "Underground Storage Tank Permitting Installation Guide" that will explain the new permitting procedures. Redge Meierhenry of the ESS has spoken with many licensed installer/removers throughout the state regarding the changes to the permitting process,

the draft manual, and the revised application and has received very positive feedback. The program also sent written invitations to licensed installer/removers for comment on the new process and documents. These comments have been invaluable to the department, and we are grateful to all that have participated. For those that have not commented but would like to, you may contact Redge at 444-1417 or e-mail him at rmeierhenry@state.mt.us. The department will send you draft copies of the manual and permit application for review.

The department intends to begin utilizing the new permitting process during the second quarter of the year, but anticipates further modifications and fine-tuning prior to establishing the final manual and permit application. Please write, call, or e-mail your ideas or suggestions for improvement to Redge by April 30, 2003. Your participation in this process is vital and supports the department's mission to protect, sustain, and improve a clean and healthful Montana.

Web Page



By all reports, the ESS has established a very useful, informative web page that can be accessed at: <http://www.deq.state.mt.us/Rem/tsb/ess/index.asp>.

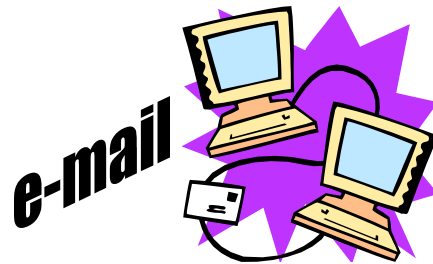
Highlights include "plain English" descriptions of our processes (permitting, licensing, notification, fees, inspections, Operating Permits and more) and links to numerous related lists, contacts, rules and relevant information.

We hope to add more links this spring including a list of pre-approved continuing education courses for licensed individuals, Environmental Services Section policies, and possibly some answers to frequently asked questions. We invite your input on what you would like to see added or what questions we might answer for you.

Staff Changes

The ESS welcomes Lou Antonick to the position of Inspector. Lou brings experience from the Petro Fund and the Petroleum Release Section as well as a wealth of fire fighting and Fire Code experience.

Andrea Hochhalter takes over Sarah Seitz's (Susan McNally's) position. Andrea has a degree in Civil Engineering and has just returned from Germany where she earned a master's in Resources Engineering. Her primary job duty is to help you, the regulated community, understand and comply with our various processes.



The ESS has established an electronic contact address for the program. Write us at: ustprog@state.mt.us if you have questions or requests of our section.

Help save time, money, and resources by submitting your e-mail address to us. This will allow publications such as this newsletter to be sent to you electronically.

Technical Services Bureau — Environmental Services Section

Legislation

House Bill 144 sponsored by Rep. Chris Harris would:

- Modify the 2-year time limit for submitting PTRCB claims for reimbursement;
- Clarify that ancillary UST leak detection equipment is included in the definition of an UST;
- Allow for an increase in tank registration fees;
- Allow the department to develop an alternative permitting process for inactive tank systems;
- Allow for issuance of temporary Operating Permits for the installation, testing, and operation of USTs;
- Give the department the ability to issue Operating Permits for tanks that are not in full compliance (concurrent enforcement action is required).



HB 144 has passed the Legislature and is awaiting the Governor's signature! If you are not in full compliance, you may still be able to obtain an Operating Permit!

House Bill 368 proposed by Rep. Ronald Devlin would:

- Modify the 2-year time limit for submitting PTRCB claims for reimbursement;
- Eliminate the eligibility requirement for fund reimbursement that releases be called in to the department;
- Eliminate the eligibility requirement for fund reimbursement that a system must be properly notified to the department;
- Modify eligibility requirements;
- Revise procedures for reimbursement of eligible costs;
- Provide for third-party review of claims and corrective action work plans; and
- Allow the Petroleum Tank Release Compensation Board (PTRCB) to hire its own staff.

Enforcement

The ESS sent 38 cases to the Department's Enforcement Division for failure to get a compliance inspection by January 1, 2002. Additionally, a number of violation letters were issued to installer/removers for the following: performing installations and modifications without required permits; permits not being retained on the job site; work conducted without informing the ESS; unlicensed individuals conducting work; and submitting Certifications

Rulemaking

The department has proposed rulemaking to be noticed some time later this month. Interested parties will be sent the notice. Most of the proposed rule changes involve correcting errors, updating reference standards, correcting formatting problems, and clarifying notification requirements. Proposed changes include:

- Some types of USTs (hydraulic lift tanks, wastewater treatment tanks, etc.) are exempt from most UST rules but not from permitting of removals and modifications. This rule change would exempt these systems from installation and closure permitting and licensing as well (only from parts of the rules not in place when this rule was originally adopted).
- Current rule requires the submission of "all required documentation" before the department can issue a Conditional Operating Permit (COP). The proposed change will clarify and simplify the process to require only that the Certification of Compliance (COC) form be submitted after an installation is complete. Upon receipt of the COC, the department will send the COPs.
- Current rule requires that an owner of a newly installed UST receive an inspection between 30 and 60 days after a COP is issued, and that the COP expires 90 days after issuance. The proposed changes will require an inspection between 90 and 120 days after a COP is issued, and the COP will expire 180 days after issuance. The increased time span will allow patterns of operation to develop, resulting in the availability of more accurate information during the compliance inspection, and will give owners more time to obtain a compliance inspection.
- Repealing subchapter 11, which was written to provide interim guidance for the Petroleum Tank Release Compensation Board (PTRCB). New rules have superseded these. To avoid confusion, duplication and conflict, this chapter is being repealed altogether.

of Compliance prior to the work being completed. The program hopes that informal measures will correct these problems so that it does not have to consider formal enforcement measures that could effect an installer/remover license.



Technical Services Bureau — Environmental Services Section

Attention Licensees:

Please remember these facts:

- Licenses expire the last day of the month of issuance.
- All monies (license and application fees) and paperwork (applications, renewal applications, and references) must be received before that date.
- If the required monies and/or applications are not received on time, your license will be cancelled and you will be required to retest.
- If you change employers, please contact the department so we can update our records.

Continuing Education Units (CEUs): If you have attended or are planning to attend a seminar, please submit a syllabus to the department. We are attempting to gather information about non-department sponsored courses for CEU pre-approval and to post the courses on the web. Hopefully, this will alleviate many of the problems that we encounter for triennial renewals. While you will still be required to submit proof of attendance, you will be assured of the number of CEUs for those courses. We cannot accomplish this goal without your assistance.

ATTN: Compliance Inspectors

RE: Compliance Re-inspections

Be sure to have a copy of a facility's Compliance Plan when conducting a re-inspection. This way all deficiencies that must be corrected can be addressed at one time. DEQ's evaluation of the original inspection report may have identified additional deficiencies based upon information that was or was not provided in the original inspection report. The only way to be aware of all deficiencies is to review the Compliance Plan.

Additionally, it is acceptable to include a copy of the Compliance Plan (**Section 5: Violations and Required Compliance Actions**) WITH comments to explain and clarify corrective actions along with your re-inspection report.

Inspection Program Update

We're getting closer. About 1,300 facilities have received their Operating Permits. About 110 have not. Given requirements for "full compliance," some facilities will not be able to get an Operating Permit by April 1, 2003. The department has submitted legislation (see HB 144, page 4) to allow discretion to enforce the more minor violations in a manner other than withholding an Operating Permit.

Even as we complete this round of inspections, we are looking at the

second round. About 20 facilities will need to renew their Operating Permits in 2003. About 30 facilities will need new Operating Permits in the first quarter of 2004 and about 535 more will need them before the end of 2004.

All deficiencies in the operation and management of the UST system must be corrected before the Operating Permit expires. It is advisable for an owner/operator to schedule their next compliance inspection at least four and maybe even six months in

advance to allow sufficient time to correct any deficiencies that may have developed since the last compliance inspection.

If you do not complete your compliance inspection within the indicated timeframe, you may be subject to enforcement action.

Operating Permit expiration dates for all state facilities can be viewed at: http://www.deq.state.mt.us/Rem/tsb/ess/Monthly_ReportsPDF/USTFacilityOperatingPermitStatus.pdf.

Classes and Testing for UST Installers, Removers and Inspectors

The DEQ has scheduled refresher classes April 16-17 in Helena for underground storage tank installers, removers and inspectors. At the same time, licensing tests will be offered for installer/removers, removers, and installers of corrosion protection, tank liners and external leak-detection equipment.

The refresher class for installers will begin Wednesday, April 16th, at 8 AM, and for removers only at 1 PM. The inspector refresher course will begin Thursday, April 17th, at 8 AM. Anyone currently licensed for under-

ground storage tank work may attend the classes for continuing education credit.

Classes and testing will be held at the DEQ Phoenix Building located at 2209 Phoenix Avenue in Helena. Written tests are open to all applicants for new licenses and to those who must retest to maintain current licenses. All new applicants must register and submit a \$100 fee to the DEQ Technical Services Bureau, P.O. Box 200901, Helena, MT 59620-0901.



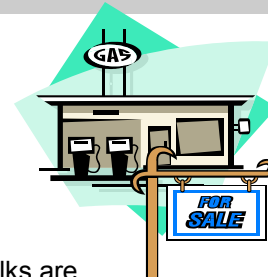
State law requires licensing of anyone who installs, closes, repairs, modifies or inspects underground storage tank systems, including underground piping connected to above-ground tanks. Similarly, the law requires licensing of anyone who installs corrosion protection or external leak-detection equipment on underground storage tank systems.

More information is available from the DEQ Technical Services Bureau, at (406) 444-1420.

Hazardous Waste Site Cleanup Bureau—Petroleum Release Section

Real Estate Transactions Concerning Contaminated Property Helpful Hints from the DEQ to You

It is impossible to sell contaminated property, right? That's what most owners of contaminated Underground Storage Tank (UST) facilities have thought for years. Many owners would rather hand their service station keys to the bank than call their real estate agent for fear of the financial and environmental responsibilities regarding petroleum cleanup. However, the DEQ has had numerous inquiries over the past couple years from UST facility owners, real estate companies, and prospective buyers on how to move contaminated property, which suggests that folks are buying and selling UST facilities. We have assembled a list of hints that may help alleviate some of the uncertainty in conducting real estate transactions involving petroleum-contaminated sites.



Use all of the free resources you have first.

The DEQ has information regarding every registered UST facility in the state. The Technical Services Bureau (TSB) in Helena has a "facility file" that documents all registered USTs, inspections, permits issued to install, remove, or modify tank systems, and general correspondence regarding each UST facility. If the facility you are interested in has a documented petroleum release, there is a second "leak file" available from the Petroleum Release Section (PRS). The PRS leak file contains information pertinent to all aspects of cleanup, from remedial investigations to corrective action to resolution of the release. The central PRS office is located in Helena with satellite offices in Billings and Kalispell for facilities in those regions. The facility and leak files are available for review to the public free of charge for those who visit the TSB or PRS offices. If you are unable to visit the DEQ offices, copies of the files can be requested and will be mailed to you for a nominal fee. Please contact DEQ Administration Support Staff at (406) 444-1420 to request information for the relevant facility.

Determine if the release is eligible for Petro-Fund reimbursement.

The Petroleum Tank Release Cleanup Fund (PTRCF or Petro-Fund) was created in April of 1989 to assist owners and operators with the cleanup of leaking petroleum tanks. A fee of three-quarters of a cent for each gallon of fuel sold at retail facilities provides funding for the Petro-Fund for use at contaminated facilities that are in compliance with DEQ and/or State Fire Marshal regulations at the time of release discovery. The Petro-Fund is set up to reimburse owners and operators for half of the first \$35,000 incurred on eligible cleanup costs. Once that "deductible" has been met, 100% of the next \$982,500 in eligible costs is reimbursable. Eligibility for the Petro-Fund is a major selling point, allowing owners and operators to invest their money into their business, rather than cleanup. It should also be noted that Petro-Fund eligibility is assigned to the release, not the property owner, meaning that Petro-Fund coverage normally continues even though property ownership changes (an ownership change requires an amendment to the notification form). For information regarding the status of eligibility for a release, contact the DEQ Petroleum Fund Services Section at (406) 444-0932 or visit their office in Helena.

Conduct a Phase II Environmental Site Assessment (ESA).

Suppose you've contacted the DEQ. Neither the TSB or PRS have any information regarding the property you are interested in, but you know it was a gas station that closed sometime in the 1970s. Now what? A buyer should be informed about what they are getting into when considering the purchase of potentially contaminated property. One of the best ways you can protect yourself from incurring unknown liability is to conduct a Phase II Environmental Site Assessment (ESA). A Phase II ESA is usually conducted by an environmental engineering or consulting firm of your choice and will entail

some form of subsurface investigation. Potential areas of petroleum releases such as the former tank basin, piping runs, and dispenser islands will be investigated for soil and groundwater contamination (if applicable). Results from the Phase II ESA will be invaluable when it's time to decide whether or not to complete the property transaction.

Go with experience.

If you choose to use outside help, it is important to hire a real estate agent, environmental consulting firm, or attorney experienced with the procedure of contaminated property transactions. Though the DEQ cannot provide advice on which particular agency or firm to retain, we do advise that you talk to several companies and ask for references and examples of their work so you can make an informed decision about who to hire.

Understand your responsibilities.

The State of Montana administers laws and rules governing UST operation. It is important that you read these regulations and understand your responsibilities in owning and operating facilities with USTs. If you find the legal language confusing, an attorney may be able to help. You can find laws pertaining to petroleum storage facilities and cleanup at your local public library, DEQ offices, or on the Internet at <http://www.deq.state.mt.us/dir/legal/index.asp>.

Though petroleum-contaminated sites may represent more liability than usual, well-informed buyers can minimize their risks by utilizing the resources available to them.

Technical Services Bureau—Petroleum Fund Services Section**Vehicle Mileage Rate**

As of January 17, 2003 the Petroleum Tank Release Compensation Board amended ARM 17.58.311 and 17.58.342 pertaining to reimbursable expenses

from the Petroleum Tank Release Compensation Fund for vehicle mileage expenses.

The current mileage rate is equal to the high rate in the Montana Operating Manual (MOM) plus \$0.05. The current rate is \$0.41 per mile. The rules may be viewed at:

<http://www.deq.state.mt.us/dir/legal/Chapters/CH58-03.pdf>.

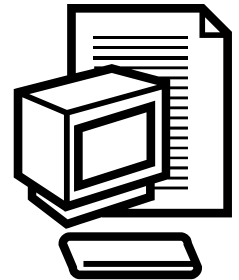
Petroleum Tank Release Compensation Board Positions

Two appointments on the Petroleum Tank Release Compensation Board expire on June 30, 2003. One position is a representative of the service station dealers and the other is a representative of the general public. If you wish to be considered for these positions, notify Governor Martz. Questions concerning the appointments should be addressed to the Governor's Appointments Advisor, Susan Ames, at (406) 444-0575.

**Electronic Letters & Reports Available**

The Petroleum Tank Release Compensation Board staff can now provide two standard reports to owners, operators and consultants via email. The Board staff would like to utilize email to the maximum extent possible to reduce administrative costs. Petroleum storage tank owners or operators may wish to receive these standardized reports regarding claims submitted for reimbursement. The staff is de-

veloping other standard reports that will also be available by email. If there is other information of interest to owners and operators, please advise the staff. All owners and operators are encouraged to provide an email address. To receive electronic information about your claims, please provide your email address to Janet Vaughan at jvaughan@state.mt.us.

**Amendment to Applicable Rules Governing the Operation and Management of Petroleum Storage Tanks**

The Petroleum Tank Release Compensation Board updated the applicable fire code provisions from the 1994 edition to the 1997 edition of the Uniform Fire Code. By adopting the same standard used by the State Fire Marshal's office, owners and operators of aboveground storage tanks will not be in danger of being held to two different standards by the Board and the State Fire Marshal. The amendment updates specific citations and code provision language from the 1994 to the 1997 edition. The updated code provisions contain clerical changes but do not impose new requirements.

The Board amended subsections of

ARM 17.58.326 to clarify which specific parts of the underground storage tank operation and maintenance requirements will be reviewed by the Board when it determines compliance with the petroleum storage tank requirements for eligibility purposes. These changes result in a close parallel between the applicable Board rules for determining compliance for eligibility purposes and the requirements that the DEQ reviews when determining compliance for purposes of issuing an operating permit to an underground storage tank facility.

The amendments added a new subsection that will allow the board to determine that an owner or operator

of an underground storage tank is in compliance with installation and design standards, spill and overfill prevention, corrosion protection, release prevention and detection and related testing, monitoring and record-keeping requirements for purposes of fund eligibility if the facility has been issued an operating permit by the department or is subject to a compliance plan issued by the department.

These changes were effective October 18, 2002. The specific text of ARM 17.58.326 can be found on the Board web site at <http://www.deq.state.mt.us/dir/legal/Chapters/Ch58-toc.asp>.

MUST NEWS
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MUST News

DEQ

Spring 2003

Montana Underground Storage Tank Program Newsletter

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MUST News Staff

Andrea Hochhalter, Bill Rule, Brett Smith, Redge Meierhenry, Randy Belston, Paul Hicks, David Cat-trell, David Karlau, Lisa Tucker

HB 144 has passed the final vote and is awaiting the Governor's signature! If you are not in full compliance, you may still be able to obtain an Operating Permit! See page 4 for details.



April 16-17
Classes and Testing
See page 5 for details!